

# ARIZONA STATE BOARD OF ACCOUNTANCY

## OPEN SESSION MINUTES

**July 10, 2006**

Members of the Arizona State Board of Accountancy held a meeting at 8:17 a.m. on Monday, July 10, 2006 at the Accountancy Board Office in Suite 165, 100 N. 15<sup>th</sup> Avenue, Phoenix, Arizona. An Executive Session was held, from 9:05 a.m. to 10:19 a.m.

### **BOARD MEMBERS:**

Earl R. Shivers, CPA .....	President
Marianne E. DeVries, CPA .....	Treasurer
Patrick J. Ramirez .....	Secretary
Donald R. Bays, CPA .....	Member
^ Frank J. Brady, CPA .....	Member
Samuel L. Fogleman, CPA .....	Member
^ James E. May. ....	Member

^ Absent

### **OTHERS PRESENT:**

Valerie M. Elliott.....	Executive Director
Jim Dubé .....	Deputy Director
Seth T. Hargraves, Esq. ....	Assistant Attorney General
* H. Leslie Hall, Esq. ....	Assistant Attorney General
Yolanda M. Barajas .....	Administrative Assistant III
Leslie R. Reed .....	Administrative Assistant III

\* Present from 8:25 a.m. to 9:30 a.m.

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The meeting was called to order at 8:17 a.m. by Earl R. Shivers, President. The following order of business was then considered:

### **OPEN SESSION**

#### **CALL TO THE PUBLIC**

No one wished to address the Board.

#### **MINUTES**

##### **June 12, 2006 Board Meeting**

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to approve the Open Session Minutes from the June 12, 2006 Board meeting.

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to approve the Executive Session Minutes from the June 12, 2006 Board meeting.

#### **DECLARATION OF CONFLICTS OF INTEREST**

Donald R. Bays, CPA declared conflicts on File Nos. 2006.097, 2006.098 and 2006.099.

#### **EXECUTIVE DIRECTOR'S REPORT**

Valerie M. Elliott, Executive Director, gave an update to the Board on the budget, performance measurements and agency operations.

#### **DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA**

Ms. Elliott also discussed topics that will be on the annual meeting agenda.

#### **PRESIDENT'S REPORT**

Earl R. Shivers, Board President thanked Donald R. Bays for a job well done as President of the Board for the 2006 fiscal year.

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to go into Executive Session at 9:05 a.m. to seek legal advice and review confidential material pursuant to A.R.S. § 38-431.03(A)(2)(3) and (4).

After consideration in Executive Session, the Board reconvened in Open Session at 10:19 a.m.

#### **COMMITTEE RECOMMENDATIONS – COMPLAINT/INITIAL ANALYSIS FILES**

##### **File No. 2006.040**

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

##### **File No. 2006.055**

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Accounting and Auditing Standards Committee's recommendation to open an investigation file.

File No. 2006.057

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to remand the file back to the Committee for further investigation and to review audit work papers.

A second motion was made by J. Ramirez, seconded by Marianne E. DeVries and passed to open an investigation file.

*Donald R. Bays declared a conflict and did not vote.*

File No. 2006.060

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2006.074

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.076

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Accounting and Auditing Standards Committee's recommendation to open an investigation file.

*Donald R. Bays declared a conflict and did not vote.*

File No. 2006.077

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Accounting and Auditing Standards Committee's recommendation to issue an Administrative Letter of Concern and close the file.

File No. 2006.082

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2006.083

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.085

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to open an investigation file and reassign the file to the Accounting and Auditing Standards Committee for further investigation.

File No. 2006.086

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.087

File No. 2006.088

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to open investigation files, combine the files into one investigation and remand the files back to the Committee for further investigation.

File No. 2006.090

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

File No. 2006.091

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.100

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to close the complaint file.

File No. 2006.103

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to open an investigation file.

**COMMITTEE RECOMMENDATIONS – INVESTIGATION FILES**

File No. 2006.026

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Tax Practice Committee's recommendation to offer the Decision and Order (by Consent) for Relinquishment of the registrant's certificate and, if not accepted within 30 days, to file a Complaint and Notice of Hearing for revocation of the registrant's certificate.

File No. 2006.067

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the Accounting and Auditing Standards Committee's recommendation to offer the Decision and Order (by Consent) for Relinquishment of the registrant's certificate and, if not accepted within 30 days, to file a Complaint and Notice of Hearing for revocation of the registrant's certificate.

**NOTICES OF UNLAWFUL USE OF THE CPA DESIGNATION**

File No. 2006.093

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to direct the Assistant Attorney General to file an injunction in Superior Court for the unlawful use of the CPA designation.

File No. 2006.094

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the response and close the file.

File No. 2006.096

A motion was made by Patrick J. Ramirez, seconded by Marianne E. DeVries and passed to accept the response and close the file.

**ITEMS FOR BOARD REVIEW, DISCUSSION AND LEGAL ACTION**

**Compliance with Board Order**

File No. 2005.068; Sheline, Calvin

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to submit the Order to the Attorney General's Office for collection of investigation costs.

**Termination of Decision and Order (By Consent)**

File Nos. 1998.020 & 1995.027; Cho, William

A motion was made by Donald R. Bays, seconded by Samuel L. Fogleman and passed to defer action until final affidavit is received.

File No. 2005.074; Westergard, Robert

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to terminate the Consent Order and close the file.

**Issues from and regarding the National Association of State Boards of Accountancy (NASBA)**

CBT Contract

A motion was made by Patrick J. Ramirez, seconded by Samuel L. Fogleman and passed to direct staff to write a letter to David A. Costello to provide the CBT data within 30 days and if necessary to invite Mr. Costello to the August Annual Meeting.

**Accounting and Auditing Standards Committee Recommendation**

Brian R. Lee 6754-E

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to accept the Accounting & Auditing Standards Committee's recommendation to approve the appointment of Brian R. Lee to a five year term on the Accounting & Auditing Standards Committee.

**Recommendations of Law Review Advisory Committee**

The Committee recommended that the Board approve to review R4-1-455

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to accept the Law Review Advisory Committee's recommendation to review and consider draft language for R4-1-455 – R4-1-455.04.

The Committee recommended that the Board approve to abolish the 8<sup>th</sup> seat on the Committee

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to abolish the eighth seat on the Law Review Advisory Committee.

**Federation of Association of Regulatory Boards - Attorney Certification Seminar**

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to approve the Assistant Attorney General, Seth T. Hargraves to travel and attend the Federation of Association of Regulatory Boards – Attorney Certification Seminar on October 6 - 8, 2006, in Seattle, Washington.

**Rulemaking - Certification and Self-Reporting**

R4-1-341, R4-1-341.01, R4-1-342, R4-1-343, R4-1-344 and R4-1-456

A motion was made by Marianne E. DeVries, seconded by Donald R. Bays and passed to close the rulemaking for certification and self-reporting and submit the proposed rules to the Governor's Regulatory Review Counsel for approval.

**Request for Review of Firm Compliance - A.A.C. R4-1-455.03(D)(2):**

Abbott & Company Ltd 31-C

A motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to decline the firm's request for a review of firm compliance and to notify the firm that they must comply with A.A.C. R4-1-455.03 (D)(2).

**Request for inactive status - A.R.S. § 32-730**

Sue E. Bai 7870-E

Mark Charles Walker 4497-R

Patrick B. Sloan 5249-E

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to approve the requests for inactive status.

**Establishment of Executive Director Performance Policy subcommittee**

A motion was made by Marianne E. DeVries, seconded by Samuel L. Fogleman and passed to approve the establishment of an Executive Director Performance Policy subcommittee and to elect James E. May as the Chairperson and Earl R. Shivers and Donald R. Bays as members to serve on the subcommittee.

**Requests received by June 30, 2006 for Extension of time to meet Peer Review Requirements - A.A.C. R4-1-454**

Martin, Joseph A., CPA, PC 2130-C

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to grant his request for an extension.

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A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to defer action on the following action items 13-k, l and m:

### **Requests for Extension of time to meet Peer Review Requirements, Deferred by Peer Review Oversight Advisory Committee due to failure to show good cause- A.A.C. R4-1-454**

i. The Committee recommended the following firms be deferred due to lack of valid reason:

Mizer, Robert T. CPA, PLLC	2471-L	Oliver, Douglas W., CPA	5604-S
Heisey, Gregory L., CPA, PC	166-C	Pagel, Inga A., CPA	4889-S
Kaplan, Daniel F., CPA, PC	2274-C	Queen, Katherine M., CPA	4299-S

ii. The Committee recommended the following firms be deferred due to lack of engagement letter:

Hartman, Donald, CPA, PC	2236-C
Jurgens, William M., CPA	4161-S
Plavsity, Ann, PC	2455-C

iii. The Committee recommended the following firms be deferred due to lack of final peer review report:

Fessinger, Hal Jerome	4090-S
Pearce, Gray & Co., PLC	2352-C
Wendtland & Associates, PC	2048-C

### **Requests received by June 30, 2006 for Extension of time to meet Peer Review Requirements - A.A.C. R4-1-454**

Baldwin & Jones, PLLC	2457-L
Estes/Avellone CPAs, Ltd	2452-C
Gastineau, K.R., CPA, Ltd	772-C
Sweigart, Jim S., CPA, PC	2084-C
Dembowski, Lawrence S., CPA	4871-S
Hutchison, Robert Allan	5629-S
Ridgway, Tess L., CPA	5171-S

### **Requests received after June 30, 2006 for Extension of time to meet Peer Review Requirements - A.A.C. R4-1-454**

Capirchio, Craig C., Ltd	2023-C
Groll, Robert Hardy, CPA	4114-S

### **Status of firm compliance with A.A.C. R4-1-454 Peer Review Requirements**

A motion was made by Samuel L. Fogleman, seconded by Marianne E. DeVries and passed to invite Gary Wood, CPA, Chairperson of the Peer Review Advisory Committee to the July 31, Board meeting, and direct staff to mail out letters to the firms that have failed to meet the peer review requirements, and grant them 30 days to respond to the letter. The motion included directing staff to have the firms contact the Arizona Society of Certified Public Accountants (ASCPA) regarding question about the AICPA peer review program.

**CONSENT AGENDA**

(The Board may pull any of the following items off the consent agenda and take individual action) Board discussion and legal action on the following items:

A motion was made by Donald R. Bays, seconded by Marianne E. DeVries and passed to accept the following consent agenda:

- a. Recommended for Registration of Professional Corporation for the following Applicants (Meets the requirements of A.R.S. § 32-734):

Michael J. Balanda PC  
Shareholder: Michael J. Balanda 4418-E  
Khan, Woods & Dwyer PC  
Shareholders: A. K. Khan 11183-R  
Thomas Ross Woods, Jr 4661-E  
Mary Susan Dwyer 6476-E

Katherine C. White CPA PC  
Shareholder: Katherine C. White 13331-E  
Scott R. Crosby CPA Ltd  
Shareholder: Scott R. Crosby 12984-E

- b. Recommended for Registration of LLC/PLLC/LLP's for the following Applicants - (Meets the requirements of A.R.S. § 32-735):

JS Financial Consulting LLC  
Shareholder: Shauna L Beyer 13726-E

Gregory L. Perry CPA LLC  
Shareholder: Gregory L. Perry 9337-E

Paul M. Schwark, CPA PLLC  
Shareholder: Paul M. Schwark 194-E

Christina R. Gingold CPA PLLC  
Shareholder: Christina R. Gingold 11329-E

Eversole Accounting Services PLLC  
Shareholder: Shelly K. Eversole 11163-E

Shelley International LLC  
Shareholder: Mark Shelley 3115-e

- c. Recommended for Firm Name Change:

Braun PC  
Braun PC, CPA Firm 714-C  
Shareholder: David H. Braun 1474-E

Mark R. Geretti CPA PLLC  
Mark R. Geretti CPA 2681-P  
Shareholder: Mark R. Geretti 8092-E

Cypert & Scherrer PLC  
Cypert & Associates PLC 2379-L  
Shareholder: Michael C. Scherrer 2623-E  
Lance H. Cypert 2653-R

Jeanne R. Kennedy PLLC  
Affordable Accounting & Tax  
Services PLLC 2597-L  
Shareholder: Jeanne R. Kennedy 10772-E

Holdsworth & Larson CPA's PLLC  
Holdsworth, Larson & Strasser  
CPA's PLLC 2696-L  
Shareholder:  
Matthew L. Holdsworth 12549-E  
Charles R. Larson 12238-R

- d. Requests for Firm Cancellation - Do not wish to renew:

Hein & Associates LLP 2460-B Eugene M. Moore CPA PC 1087-C



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## e. Recommended for Cancellation of Certificate per registrant's request not to renew:

Gregory J. Applen	14064-R	Barbara Keegan Kasprzak	8568-E
Nancy E. Shelmon	4623-R	Jerome R. Small	2238-R
Sheila L. Spratt	10688-R	Kathryn Lynn Wehmeier	6861-E
Ralph K. Brooks	5502-R		

## f. Recommended for Reissuance of Certificate because of Name Change:

Erin Castelhana (Fitzpatrick)	13944-E	Kari L. Bolar (Enns)	6885-E
Karla Jean Jorgensen (Jorgensen-Carroll)	5613-E	Thomas Andrew Stokes (T. Andrew Stokes)	2646-E
Kenda R. Master (Rice)	10512-E	Diane G. Gomez (Hewlett)	12247-E
Jessica A. Jurkowich (Aldulaimi)	12087-E		

## g. Recommended for Reactivation of Certificate from Inactive Status - A.R.S. §32-730(E):

Robert DiPierro	3563-E
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## h. Recommendation of the Certification Committee for approval of Certification by Examination - A.R.S. §32-721:

Steven M. Dotson	Gary Robert Howard
Marco A. Leon	Nathan Smith
John Markum Warren	Leslie Wilson

## i. Recommendation of the Certification Committee for approval of Certification by Reciprocity - A.R.S. §32-724:

Barbara D. Andres – California	Chrystal K. Rauschkolb – California
Jiying Spencer – Virginia	David Morgan Thayer – California
Wei Hong Wang – California	Mark Frederick Willie – California

## j. Recommendation of the Certification Committee for approval of Certification by Reciprocity based on Substantial Equivalency - A.R.S. § 32-726(B):

Ronald L. Bodie – Illinois	Daniel R. Boncel – Wisconsin
Lori L. Conard – Iowa	Miriah Jane Harper – Pennsylvania
Wendy J. Henry – Nevada	Jarret A. Judson – Iowa
Joseph R. Poland – Pennsylvania	Angela M. Santucci – Pennsylvania
David Scott Schaefer - Illinois	Cathy Shonce-Kolic - Ohio
Mark W. Stevens - Missouri	Scott E. Sunday - Indiana
Yukon M. Tomisato - North Carolina	Mary E. Vandenberg - Indiana

Michael Sean Vicente - Missouri

Brian L. Wagner - Illinois

Lisa Stevens Woodside - Ohio

- k. Recommendation of the Certification Committee for approval of Examination Candidates for the Uniform CPA Exam - A.R.S. § 32-723:

Emily J. Adamson

John David Anderson

Linda K. Ballard

Elizabeth Marie Barber

Ike David Braden

Tiffany E. Clure

Scott Thomas Cook

Roman Petar Curko

Bryan R. Davis

Cassandra S. Davis

Keeley K. Dayton

Oscar Delgado

Risa Furusawa

Paul Dylan Garcia

Christopher Robin Hatch

Andria Rose Hegle

Donald Robert Ignace

Allison Lynn Ihle

Syed Ali Murtaza Jaffrey

Tyler Grant Jones

Richard Colin Keyt

Christopher Louis Kresge

Rachel A. Langhofer

Russ Alexander Levine

Lori Carol Ludke-Borgen

David William McCarthy

Margot Ann Magnum

Connie Jiron Mudd

Mohamed Mahmoud Omar Makram

Anne Marie Ortiz

Joseph Scott Palfreeman

David Hyatt Parry

Kelly Ann Peck

Kimberly L. Rains

Maria Emma Sneddon

Christopher Tenney Solomon

Stephen Andrew Soter

Kelli Lynn Wallace

Ryan Michael Watkins

Phillip Reino Wuollet

- l. Recommendation of the Certification Committee for approval of Certification by Grade Transfer - A.R.S. §32-721:

Thomas Kent Farr – California

Brent Tolman Wuehler - California

- m. Recommendation of the Peer Review Advisory Committee for approval on the following firms in compliance with A.A.C. R4-1-454:

Berry, Russell B. Jr 750-C

Husk, Ricky L. 5087-S

Blake, Gregory PC 582-C

Kayal, Albert S., CPA 4775-S

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Brown, Laurel F. 4506-S	Leonard, William R. 4900-S
Bunch, Timothy J., CPA 5601-S	Naylor, John H, CPA 789-C
Clark, P.L., CPA 5196-S	Pereboom, Victor R., CPA PC 2275- C
Clifton Gunderson LLP 2355-B	Repovsch, Gary R., CPA PC 574-C
Cogan, Terry B. CPA 5088-S	Russell, Robert CPA 4675-S
Drynan, Doug CPA 5689-S	Sandhaus & Company CPA'S 2342-C
Fissell & Fissell PC 2064-C	Silcox, Norman R., CPA 4345-S
Gaughan & Nahom PLC 878-L	Telfer, Marie Annette PC 2263-C
O'Dell, Troy D. CPA PLC 2663-L	Rogers, N. Terryl & CO 308-C

### **SUMMARY OF CURRENT EVENTS**

### **DISCUSSION OF ITEMS TO BE PLACED ON FUTURE MEETING AGENDA**

### **ADJOURNMENT**

There being no further business, a motion was made by Samuel L. Fogleman, seconded by Patrick J. Ramirez and passed to adjourn at 11:25 a.m.

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Earl R. Shivers, CPA, President

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Marianne E. DeVries, CPA, Treasurer

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Patrick J. Ramirez, Secretary

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Donald R. Bays, CPA Member

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Samuel L. Fogleman, CPA Member